Alberta Gaming and Liquor Commission 2009-2012 Business Plan

Balancing choice and responsibility

AGLC
Alberta Gaming and Liquor Commission

ALBERTA LOTTERY FUND

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WHO WE ARE AND WHAT WE DO

The Alberta Gaming and Liquor Commission (AGLC) operates under the authority of the *Gaming and Liquor Act*. Its structure includes:

A seven-member board that is appointed by the government and reports directly to the Solicitor General and Minister of Public Security. The Board approves gaming and liquor policy to ensure Alberta's gaming and liquor industries are well regulated and managed on behalf of the people of the province. The Board ensures the powers and duties of the AGLC are appropriately carried out through the Chief Executive Officer. Board members also conduct hearings and make decisions respecting licences and registrations, and are responsible for any other functions assigned to it.

Management that directs the ongoing operations of the organization. The Chief Executive Officer of the Commission's management reports to the Board. This structure facilitates clear lines of communication and ensures policy implementation is consistent and operations run effectively and efficiently.

The AGLC's role – through its Board and management – is to administer the *Gaming and Liquor Act* and related legislation. The AGLC is responsible for regulating Alberta's charitable gaming activities (casino table games, pull-ticket sales, raffles and bingo events) and for conducting and managing provincial gaming activities (ticket lotteries and all electronic gaming devices). It also controls the manufacture, importation, sale, purchase, possession, storage, transportation, use and consumption of liquor in Alberta.

Gaming activities contribute to Albertans' quality of life by providing opportunities for charitable groups to raise funds directly for their valuable work, by providing entertainment options to adults in Alberta, and by providing funding used by government to support volunteer, public, and community-focused initiatives. In 2007-08, charitable and religious organizations raised approximately $325 million through licensed gaming activities under Alberta's charitable gaming model. In addition, over $1.6 billion of gaming proceeds is provided annually to volunteer groups, public, and community-based initiatives through the Alberta Lottery Fund. In 2007-08, gross revenue from charitable gaming totalled $1.4 billion while gross revenue from provincial gaming totalled $26 billion.

Alberta's privatized liquor industry provides increased choice to consumers. As of April 2008, a total of 23,939 liquor products were registered with the AGLC, with 14,411 products available across the province. During the same time period, 1,187 stores were open across Alberta. The private sector operates the retailing, warehousing, and distribution of liquor in Alberta and the AGLC licenses and regulates the industry. The province receives in excess of $678 million annually through the markup on liquor products sold in Alberta.

The AGLC also has a memorandum of understanding with Alberta Finance and Enterprise to provide enforcement and investigative services related to the *Tobacco Tax Act* and the *Fuel Tax Act*.

Our VISION

Ensuring gaming and liquor sustainability for Alberta

Our MISSION

Providing and protecting Albertans' choices

Our VALUES

The AGLC is committed to operating according to the following values:

FORESIGHT: We are aware of and take a proactive approach to shifts in social, political, economic and environmental trends.

ACCOUNTABILITY: We hold ourselves accountable for our decisions.

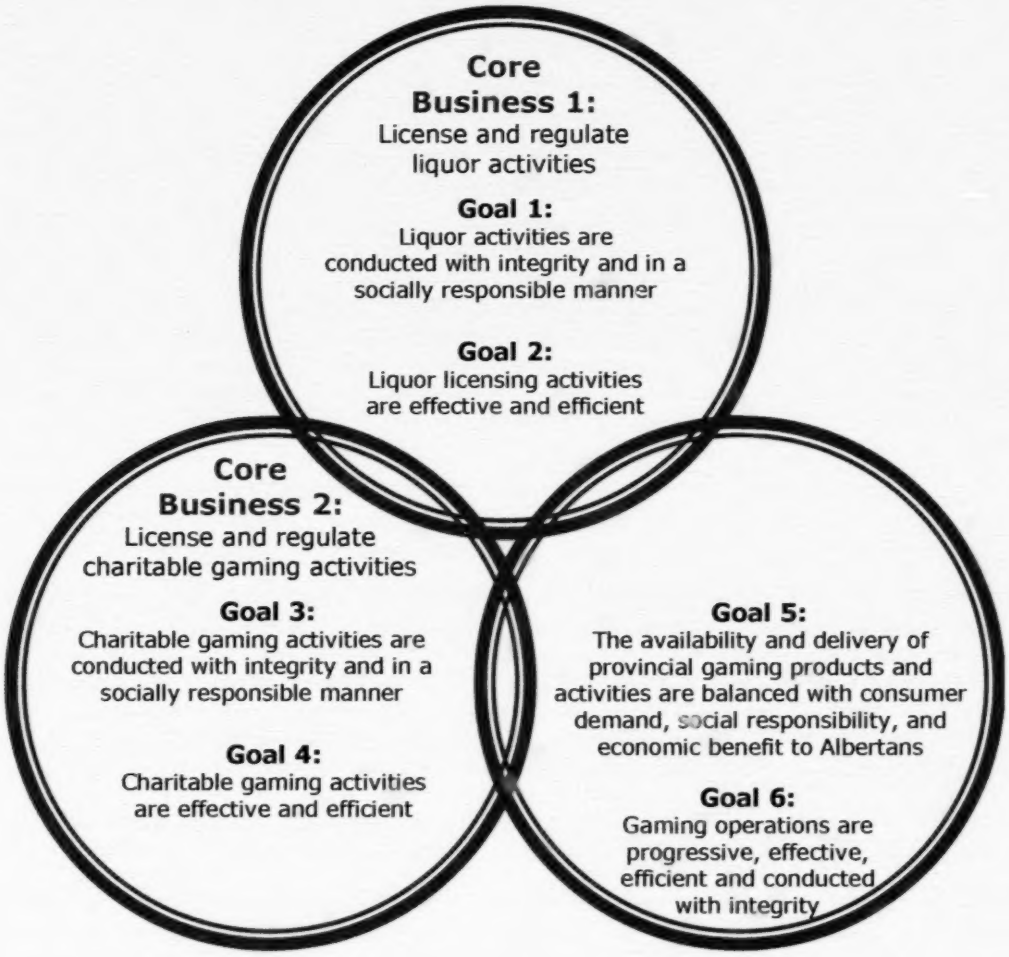
INTEGRITY: We are open and transparent and act with impartiality to uphold the trust of all our stakeholders.

RESPECT: We value our colleagues, stakeholders and Albertans and our shared responsibilities to society and the environment.

Our CORE BUSINESSES

The AGLC has three core businesses:

1. License and regulate liquor activities.
2. License and regulate charitable gaming activities.
3. Conduct and manage provincial gaming activities.


Core Business 1:
License and regulate liquor activities
Goal 1:
Liquor activities are conducted with integrity and in a socially responsible manner
Goal 2:
Liquor licensing activities are effective and efficient
Core Business 2:
License and regulate charitable gaming activities
Goal 3:
Charitable gaming activities are conducted with integrity and in a socially responsible manner
Goal 4:
Charitable gaming activities are effective and efficient
Goal 5:
The availability and delivery of provincial gaming products and activities are balanced with consumer demand, social responsibility, and economic benefit to Albertans
Goal 6:
Gaming operations are progressive, effective, efficient and conducted with integrity

STRATEGIC DIRECTIONS

The AGLC has identified the following strategic directions for 2009-12.

1. **Ensure the liquor model meets the current and future expectations of Albertans**

2. **Enhance the AGLC's role with respect to social outcomes related to the liquor industry**

3. **Ensure the charitable gaming model continues to meet the current and future needs of Albertans**

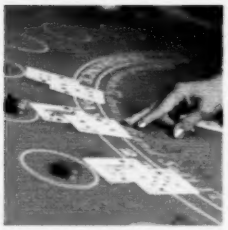
4. **Explore all possible technology options regarding the delivery of gaming products**

5. **Review and monitor the impact of casino and Racing Entertainment Centre (REC) operations in Alberta**

6. **Enhance the AGLC's role with respect to social outcomes related to the gaming industry**

7. **Continue to improve the governance and business practices of the AGLC to meet leading standards and best practices**

8. **Build on existing strengths and adopt new approaches to meet the AGLC's human resource needs**



CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

Core Business One: License and regulate liquor activities.

Goal 1 : Liquor activities are conducted with integrity and in a socially responsible manner.

What it means: The AGLC regulates all liquor activities in accordance with legislation, regulation and policy to ensure that liquor activities are conducted with integrity and encourage the responsible sale and consumption of liquor.

How we'll do it:

1.1 Maintain the integrity of liquor activities by conducting regular reviews of legislation and policies in consultation with stakeholders.

1.2 Monitor Albertans' attitudes, preferences and emerging trends to ensure liquor products and services continue to be delivered in a socially responsible manner consistent with expectations of Albertans.

1.3 Conduct inspections of licensed premises and investigate all complaints concerning liquor activities.

1.4 In conjunction with the Alberta Safer Bars Council, address the causes and impacts of violence in and around licensed premises and work to improve safety in licensed premises including exploring the use of crime prevention through environmental design.

1.5 Ensure stability in the liquor supply chain and implement approved recommendations for changes, if any.

1.6 Monitor policies to ensure Alberta's liquor model meets the current and future expectations of Albertans.

1.7 Together with Alberta Finance and Enterprise, ensure that provincial liquor markup policy is reflective of overall government revenue requirements.

1.8 Ensure beverage container management within the liquor industry is conducted according to the Beverage Container Recycling Regulation.

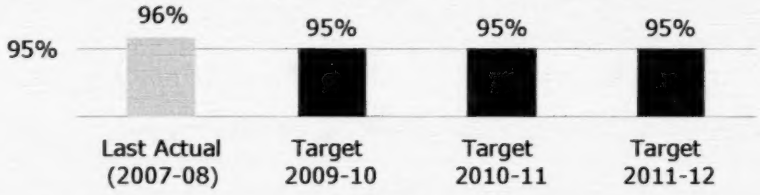
1.9 In partnership with the Alberta Health Services (AHS), implement an Alberta Alcohol Strategy.

1.10 In collaboration with the liquor industry, AHS, government Ministries and other stakeholders, promote the responsible service and consumption of alcohol through initiatives such as ProServe (formerly Alberta Server Intervention Program) and ProTect security/staff doorman training.

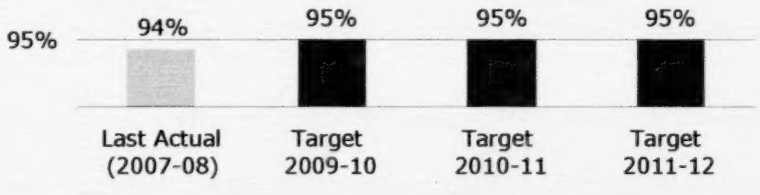
CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

Performance Measures:

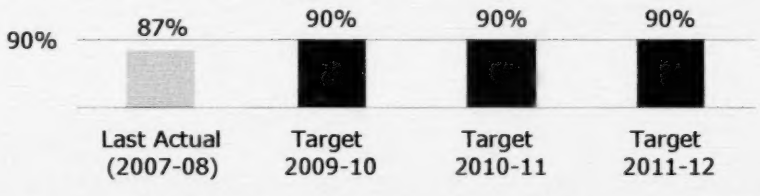
1a. Percentage of liquor licensees who comply with legislation, regulations and policy



1b. Percentage of Albertans satisfied that liquor is provided in a responsible manner



1c. Percentage of Albertans aware of prevention and treatment programs for alcohol abuse



Core Business One: License and regulate liquor activities.

Goal 2 : Liquor licensing activities are effective and efficient.

What it means: Under Alberta's unique retail liquor model, the AGLC licenses and regulates the liquor industry according to the *Gaming and Liquor Act* and Regulation, other provincial and federal legislation and AGLC policies. The private sector operates the warehousing, distribution and retailing of liquor in Alberta.

How we'll do it:

2.1 License eligible applicants in accordance with legislation and policies focusing on integrity and providing excellence in customer service.

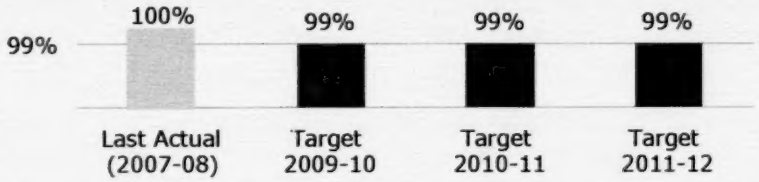
2.2 Register liquor products to be offered for sale in Alberta to ensure compliance with provincial legislation, regulation and policy.

2.3 Ensure all agents and suppliers are aware of labelling, trademarks, and trade agreement requirements.

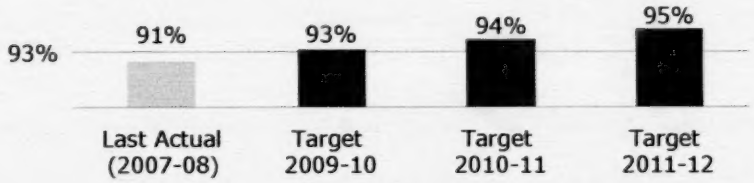
2.4 Enhance customer service through the implementation of electronic service delivery initiatives.

Performance Measures:

2a. Percentage of liquor licences and registrations completed within established timeframes



2b. Percentage of liquor industry clients satisfied with the level of service provided by the AGLC



Core Business Two: License and regulate charitable gaming activities.

Goal 3: Charitable gaming activities are conducted with integrity and in a socially responsible manner.

What it means: The AGLC regulates all charitable gaming activities in accordance with legislation, regulation and policy to ensure that gaming activities are conducted with integrity and delivered in a manner that encourages responsible gaming.

How we'll do it:

3.1 Ensure the current charitable gaming model and related policies meet the expectations of Albertans.

3.2 Ensure due diligence in the licensing process related to the eligibility of charitable organizations for charitable gaming licences and use of proceeds.

3.3 Ensure charities receive all funds to which they are entitled, that the use of proceeds are reported in a timely manner and that proceeds are used for approved purposes.

3.4 Investigate all complaints and alleged violations and respond to any potential illegal gambling activities.

3.5 Conduct due diligence investigations including complete criminal and financial background reviews for all gaming facility licensees and gaming suppliers.

3.6 Conduct inspections and audits of gaming licensees and activities.

3.7 Work with the gaming industry, AHS and other stakeholders to develop, implement and evaluate initiatives that encourage responsible gambling.

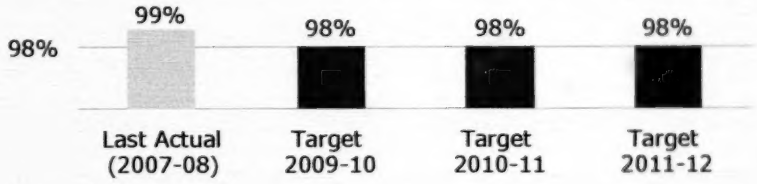
CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

3.8 Ensure charities participating in gaming events are aware of responsible and problem gambling initiatives, programs and resources.

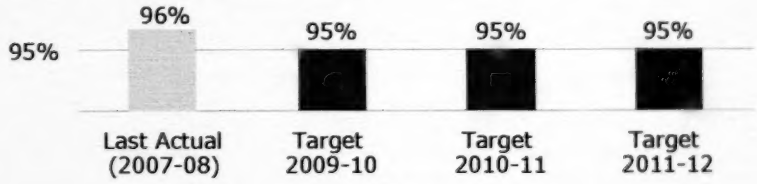
3.9 Explore opportunities to assist with charity groups' understanding of governance.

Performance Measures:

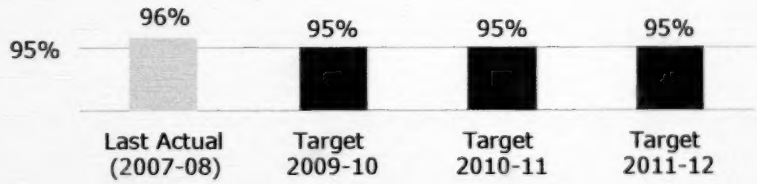
3a. Percentage of charitable gaming activities conducted in accordance with legislation, regulation and policy



3b. Percentage of charitable gaming financial reports produced within established timeframes



3c. Percentage of Albertans satisfied that the charitable gaming activity they participated in was provided fairly and in a responsible manner



Core Business Two: License and regulate charitable gaming activities.

Goal 4 : Charitable gaming activities are effective and efficient.

What it means: Charities and religious organizations conduct, manage and benefit directly from the proceeds from casino table games, pull-ticket, raffle and bingo events. The AGLC licenses and regulates these gambling activities according to the *Gaming and Liquor Act* and Regulation and Board policy.

How we'll do it:

4.1 License eligible applicants in accordance with legislation and policies and providing excellence in customer service.

4.2 Enhance licensees' and applicants' understanding of gaming legislation and policies.

4.3 Review the charitable gaming model to ensure it is working effectively.

4.4 Work with gaming operators, gaming suppliers and charities to ensure that charitable gaming activities maximize benefits to charities.

4.5 Enhance customer service through the implementation of electronic service delivery initiatives.

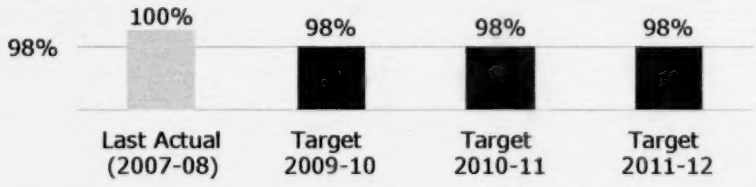
4.6 Inform Albertans about charitable gaming and its support of the non-profit and volunteer groups' community work.

4.7 Enhance relationships with charitable gaming stakeholders to ensure a shared understanding of the strategic direction for gaming and its benefit to Albertans.

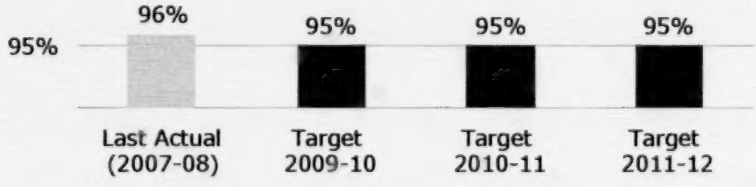
4.8 In advance of licensing new casino or racing entertainment centre facilities, consider the socio-economic impacts of gaming as well as business and economic "capacity" issues.

Performance Measures:

4a. Percentage of charitable gaming licences and registrations completed within established timeframes



4b. Percentage of charitable gaming licensees satisfied with the level of service provided by the AGLC



CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

Core Business Three: Conduct and manage provincial gaming activities.

Goal 5: The availability and delivery of provincial gaming products and activities are balanced with consumer demand, social responsibility, and economic benefit to Albertans.

What it means: The AGLC is responsible for the conduct and management of all provincial gaming activities in Alberta under the authority of the *Criminal Code* (Canada), other federal and provincial legislation and policy. The AGLC offers a variety of electronic gaming products (including slots, video lottery terminals, and electronic bingo) to Albertans and is committed to meeting the needs of consumers, communities and the expectations of Albertans.

How we'll do it:

5.1 Monitor Albertans' attitudes and preferences and ensure provincial gaming products and services continue to be delivered in a socially responsible manner.

5.2 Provide product offerings and distribution channels consistent with consumer demand and business needs.

5.3 Conduct electronic gaming network policy reviews to ensure that provincial gaming networks are managed effectively to meet business needs and provide consumer protection measures.

5.4 Work with the gaming industry, AHS and other stakeholders to develop, implement and evaluate initiatives that encourage responsible gambling.

5.5 Generate revenue by providing entertaining product offerings and viable distribution channels.

5.6 Inform Albertans about the Alberta Lottery Fund and how funds significantly benefit communities across Alberta.

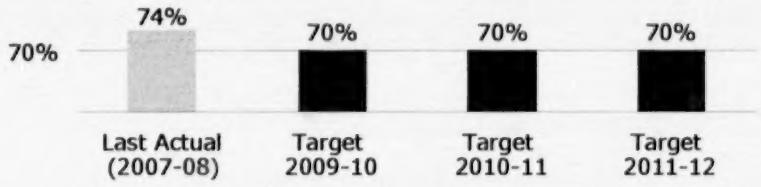
5.7 Ensure the Alberta Lottery Fund meets the current and future expectations of Albertans.

5.8 Investigate all complaints and alleged violations and respond to any potential illegal gambling activities.

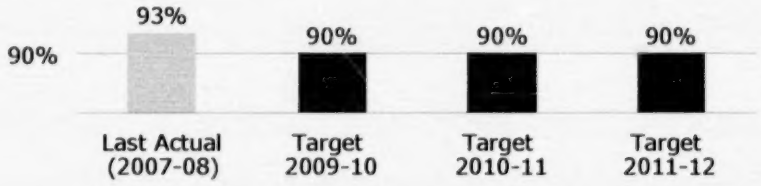
5.9 Conduct compliance inspections of provincial gaming retailers.

Performance Measures:

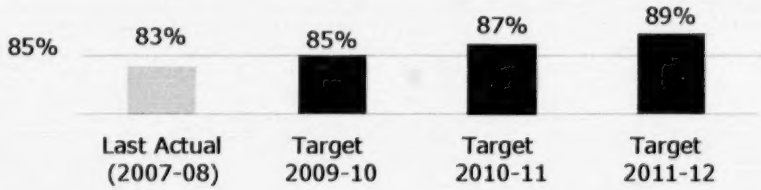
5a. Percentage of Albertans satisfied with the availability of gaming products and activities

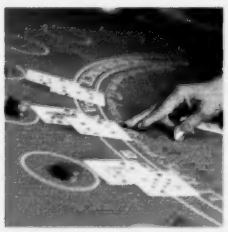


5b. Percentage of Albertans satisfied that the provincial gaming activity they participated in was provided fairly and in a responsible manner



5c. Percentage of Albertans aware of prevention and treatment programs for problem gambling





CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

Core Business Three: Conduct and manage provincial gaming activities.

Goal 6: Gaming operations are progressive, effective, efficient and conducted with integrity.

What it means: The AGLC proactively leverages relationships with private sector retailers, stakeholders, gaming suppliers and other gaming jurisdictions to deliver gaming entertainment choices.

How we'll do it:

6.1 Ensure the AGLC is appropriately positioned to adopt emerging gaming technologies to progressively leverage gaming products and service opportunities.

6.2 Ensure resources, technologies, practices and training support the current and future requirements of retailers and operators and provide excellence in customer service.

6.3 Ensure the AGLC receives value through its relationship with the WCLC.

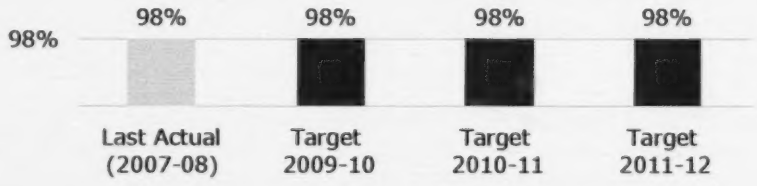
6.4 Enhance gaming retailers' understanding of gaming legislation and policies.

6.5 Ensure effective asset management for all electronic gaming terminals and other gaming equipment.

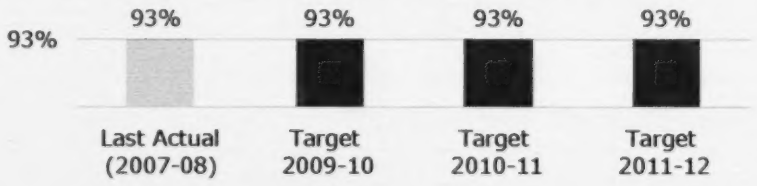
6.6 Ensure the security and integrity of electronic gaming terminals and other equipment.

Performance Measures:

6a. Percentage of retailers satisfied with AGLC services related to VLTs, slot machines, electronic bingo, Keno and ticket lotteries



6b. Percentage of gaming integrity issues resolved within established timeframes



Supporting Core Businesses and Corporate Objectives

The strategies and actions that are undertaken to carry out the core businesses are supported throughout the organization.

Commitment to Employees

The AGLC cares about its employees' health, their professional and personal development and the contribution they make to the community.

- Monitor emerging human resource trends, such as an aging workforce, changing attitudes and expectations, changing technology and skills requirements, and proactively address them;
- Explore opportunities for employees to develop a healthy balance between their professional commitments and their personal lives;
- Attract, motivate and retain the right skill mix to achieve the organization's current and future business objectives;
- Provide opportunities for continuous learning to ensure the organization has the knowledge, skills and abilities to meet current business objectives and future challenges;
- Ensure the performance goals of individual employees are aligned with those of the organization;
- Enhance performance management processes and ensure effective employee recognition practices are in place;
- Support continuity of operations and the technical and professional development of employees through performance and career planning;
- Conduct employee surveys and implement changes where appropriate;
- Explore additional human resource practices that may be unique within the Public Service; and
- Ensure employees have access to workplace wellness programs.

Corporate Framework

Ensure efficient and effective management of resources entrusted to the AGLC.

- Pursue a corporate business process review including business reporting systems, examine the AGLC structure, organization, and culture to ensure it meets the needs of the future, and enhance the functionality of reporting systems and other business management systems;
- Maintain financial management and reporting, including the security and control of cash collections, treasury functions, payments, and payroll;
- Support and coordinate the AGLC's corporate procurement requirements of Goods and Services;
- Anticipate environmental changes and their impact by conducting environmental scans on trends and issues affecting the gaming and liquor industries;
- Support the development of policy options and recommendations as well as integrated strategic, business, and operational plans, performance measures, and risk assessments;
- Maximize utilization, maintenance and operations of facilities;
- Ensure policies remain effective in protecting corporate information;
- Maintain and further develop a corporate business resumption plan;
- Administer the Alberta Lottery Fund, including liaising with Government Ministries in the development of Lottery Fund estimates;

CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

- Support the AGLC Board's need for strategic monitoring information; and
- Work with partners and research organizations to ensure research into priority areas is conducted and findings are evaluated.

Corporate Responsibility

The AGLC and its employees are committed to corporate social responsibility in its activities that impact Albertans, communities and the environment. The AGLC will investigate opportunities to integrate corporate social responsibility into its operations and business decisions.

Information Technology

The AGLC is an innovative user of current technology in support of our business requirements.

- Protect revenue streams by maintaining all gaming central systems with the highest levels of integrity, security and availability;
- Identify and adopt technology improvements that enhance current business requirements, efficiencies and responsiveness;
- Investigate emerging technologies to ensure that systems and infrastructure meet the growing and changing business requirements of the organization;
- Develop new and maintain applications that support the AGLC Core Businesses;
- Ensure that risk assessment is a primary consideration in every technology implementation;
- Research and implement advanced network security measures to protect the computer assets of the AGLC; and
- Ensure effective asset management for computer equipment in AGLC offices and at gaming retailer sites.

Communicating

The AGLC is committed to communicating with employees and stakeholders on key business activities and initiatives.

- Provide Albertans, key stakeholder groups and staff with up-to-date information on AGLC programs and initiatives through a variety of communication vehicles including websites, news releases and fact sheets;
- Plan and implement communications activities that support the AGLC's business objectives and Business Plan goals;
- Liaise with local, provincial and national media;
- Liaise with government ministries and other provincial agencies to enhance public awareness of gaming and liquor policies and province-wide initiatives;
- Monitor public opinion to better understand Albertans' expectations and priorities to develop effective AGLC communications strategies; and
- Respond in a timely manner to Albertans' comments and concerns.

ALBERTA GAMING AND LIQUOR COMMISSION
STATEMENT OF OPERATIONS

(thousands of dollars)	Comparable 2007-08 Actual	Comparable 2008-09 Budget	Comparable 2008-09 Forecast	2009-10 Budget	2010-11 Target	2011-12 Target
REVENUE						
Gaming Operations						
Video Lottery Terminal	702,771	679,115	619,115	616,066	611,281	605,080
Casino Gaming Terminal	849,390	851,992	871,992	881,361	929,518	962,400
Ticket Lottery	231,195	214,013	214,013	240,852	243,261	245,693
	1,783,356	1,745,120	1,705,120	1,738,279	1,784,060	1,813,173
Liquor operations						
Liquor	680,252	693,113	693,113	890,469	904,678	919,172
Other Income	19,601	15,700	15,700	18,074	17,000	15,000
Total Revenue	2,483,209	2,453,933	2,413,933	2,646,822	2,705,738	2,747,345
EXPENSE						
Gaming operations	168,100	228,702	188,702	246,352	258,670	271,603
Liquor operations	21,613	28,324	28,324	28,492	29,917	31,413
Total Expense	189,713	257,026	217,026	274,844	288,587	303,016
NET OPERATING RESULTS	2,293,496	2,196,907	2,196,907	2,371,978	2,417,151	2,444,329

CONTACT INFORMATION

For additional copies of this business plan check the AGLC's website at **www.aglc.ca** or contact:

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Toll-free: 1-800-272-8876
Fax: 780-447-8931

Alberta Gaming and Liquor Commission Offices

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St. Albert, Alberta
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780-447-8600
1-800-272-8876

Calgary
110, 6715 8 Street
N.E.
Calgary, Alberta
T2E 7H7
403-292-7300
1-800-372-9518

Grande Prairie
10020 124 Avenue
Grande Prairie,
Alberta
T8V 5L7
780-832-3000
(Dial 310-0000 for
toll-free access)

Lethbridge
3103 12 Avenue N
Lethbridge, Alberta
T1H 5P7
403-331-6500
(Dial 310-0000 for
toll-free access)

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3, 7965 49 Avenue
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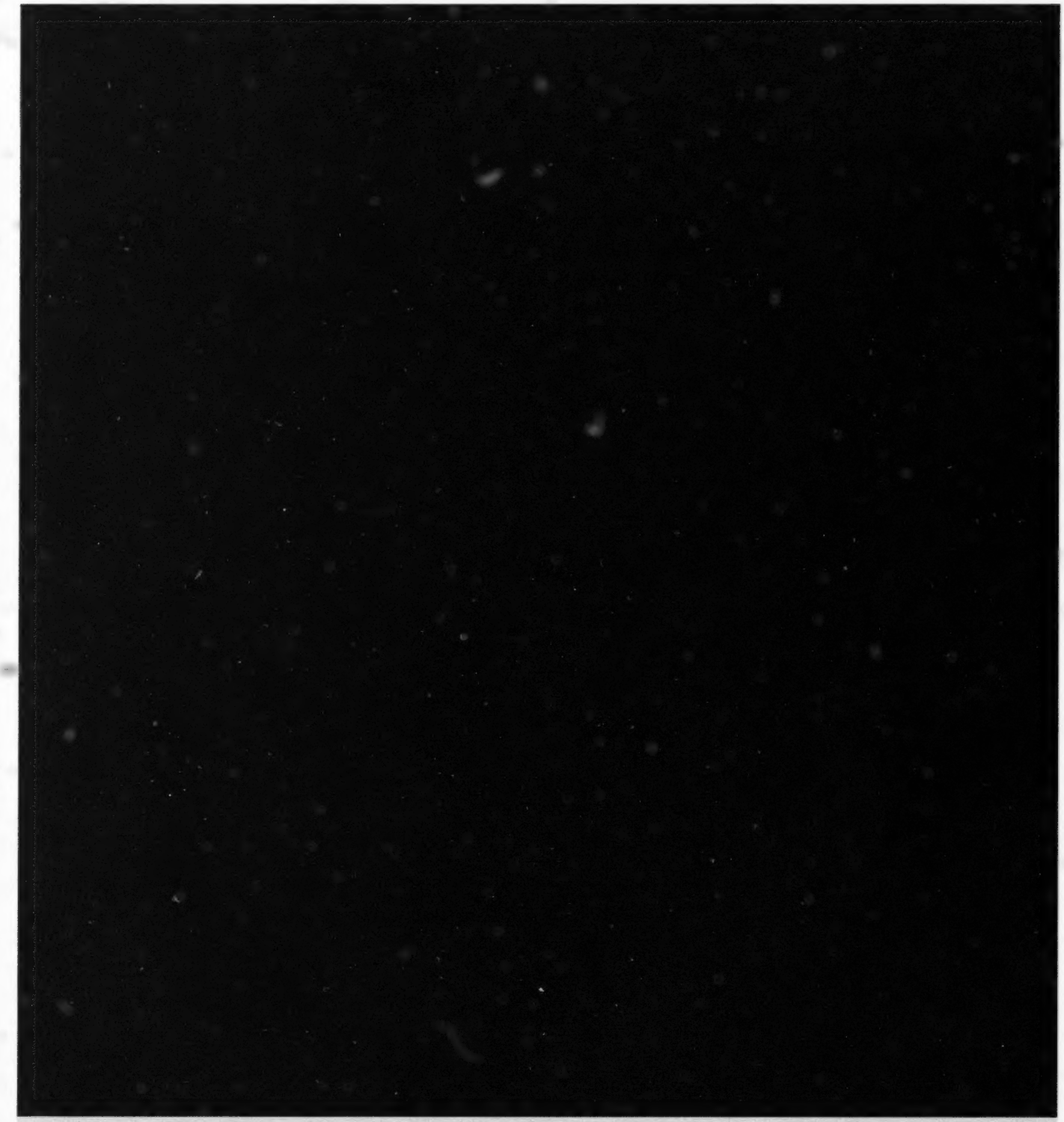
(Dial 310-0000 for
toll-free access)



AGLC
Alberta Gaming and Liquor Commission

ALBERTA LOTTERY FUND

2009-12 Business Plan